

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
Reimbursement for Instate Acute Care Inpatient Hospital Services
Disproportionate Share Hospital Adjustment**

8. Hospital Relief Subsidy Fund for the Mentally Ill and Developmentally Disabled

- a) A hospital that provides inpatient services and has a contract with the Division of Mental Health and Hospitals (DMHH) or its successor to provide services to low-income mentally ill or developmentally disabled beneficiaries shall be deemed by the Commissioner of Human Services as a DSH which serves a large number of mentally ill and developmentally disabled beneficiaries and shall be designated eligible for DSH payments with the following exceptions:
- i) Hospitals that receive money under the 90/10 program - a program in which the State pays 90% of the unreimbursed maintenance costs for indigent patients in State and county psychiatric hospitals in accordance with State statutes and the county pays the remaining 10 percent - are not eligible for payments from the HRSF.
 - ii) Hospitals shall only be eligible for a payment from the HRSF for the mentally ill and developmentally disabled if they are recognized by the DMHH or its successor, as a Short Term Care Facility (STCF) or a Child Crisis Intervention Service(CCIS) provider or are under contract with the DMHH or its successor, to provide hospital-based mental health services. CCIS and STCF providers provide inpatient services.

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Approved By

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- b) The amount of payment to hospitals for the mentally ill and developmentally disabled beneficiaries shall be based upon a recommendation made by the DMHH or its successor, within the Department of Human Services to the Commissioner of the Department of Human Services. The funds shall be allocated in the following manner:
- i) Payments to hospitals that are recognized by the DMHH as a STCF or CCIS provider from the Hospital Relief Subsidy Fund shall be based upon the distribution of beds for these services times a projection of the cost of providing the service in a State facility.
- a) The base period used in the payment formula to determine the distribution of beds is 1991. The "Cost of Psychiatric Bed" is the yearly, projected cost of providing a psychiatric bed in a State facility. The following formula illustrates the payment adjustment for eligible facilities:
- (1) $\text{Cost of Psychiatric Bed} \times \text{Beds} = \text{Payment Adjustment}$
- ii) Payment shall be allocated based upon the amount of outpatient services provided by the hospital as a percentage of outpatient services provided by all eligible hospitals.
- a) As an example, if a hospital provides 10% of the services overall, it receives 10% of the funding.
- iii) Payment shall be made as prescribed by DMHH or its successor.

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Pages I-268 through I-300 were intentionally left blank.

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Effective Date

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**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
Reimbursement for Governmental Inpatient Psychiatric Hospital Services**

- I. Governmental Psychiatric Hospitals are hospitals owned and operated by state, county, or municipal government agencies.
- II. Reimbursement for inpatient services in governmental psychiatric hospitals will be based upon Medicare standards and principles for determining reasonable cost reimbursement described in 42 CFR Part 413. These standards will be modified to include clothing indicated in a patient's plan of care as an allowable cost for Medicaid patients in these facilities.
- III. Upper limits of reimbursement will be the lower of the reasonable costs of services described above or the provider's customary charges to the general public.

IV. Interim and Final Rate Calculations:

Interim rates will be established based upon final rate determinations for the most recent Medicare cost filing (form HCFA-2552) plus a factor for inflation.

Final rates will be based upon cost filing (HCFA-2552) and Medicaid standards and principles described in paragraph II above.

- V. Interim and final rates will be approved by the Director, Division of Medical Assistance and Health Services.
- VI. The New Jersey Medicaid program will continue to use Medicare retrospective principles of reimbursement and is not rebundling those non-physician services required under TEFRA.

90-12-MA(NJ)

TR 90-12
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Pages II-2 through II-25

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
Reimbursement for Governmental Psychiatric Hospitals and Governmental Acute
Care Hospitals for Developmentally Disabled Patients
Reimbursement for Hospital Administrative Days

Effective July 1, 1985, reduction in reimbursement for patients awaiting post-hospital extended care services in governmental long term care psychiatric hospitals will be applicable in those instances where the hospital or the area (as specified on pages II-27 and II-28 of this attachment) maintains for purposes of this test an occupancy of less than 80 percent. Patients who require post-hospital extended care services will be excluded for the 80 percent computation.

For those patients awaiting post-hospital extended care in governmental long term care psychiatric hospitals during the twelve month period ending June 30, 1986, the reduction in reimbursement for those governmental long term care psychiatric hospitals whose occupancy level falls below 80 percent will be one-third of the difference between the provider's rate for inpatient (psychiatric) services and the statewide average NF rate.

For the twelve month period ending June 30, 1987, the reduction in reimbursement will be two-thirds of the cited difference for the patient for which reduced reimbursement is required. After June 30, 1987, for those whose occupancy level falls below 80 percent, the facility will be reimbursed at the State-wide average NF rate for patients requiring NF level of care.

The following pages describe the area determinations of State and county governmental long term care psychiatric hospitals and describes the payment for Administrative Days for Other Psychiatric Facilities and Governmental Acute Care Hospitals for Developmentally Disabled Patients.

94-20-MA (NJ)

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GOVERNMENTAL PSYCHIATRIC HOSPITAL SERVICES

Reimbursement for Hospital Administrative Days

The state board shall establish geographic districts within the State of New Jersey, each consisting of one or more of the several counties, and shall designate the state hospital which shall receive persons admitted or committed from the several counties comprising each such district. The current districts, or catchment areas, for the four state psychiatric hospitals, are:

GREYSTONE PARK PSYCHIATRIC HOSPITAL

Bergen	Passaic
Warren	Hudson
Sussex	Morris

MARLBORO PSYCHIATRIC HOSPITAL

Essex	Monmouth
Somerset	Ocean
Middlesex	Union

ANCORA PSYCHIATRIC HOSPITAL

Burlington	Gloucester
Camden	Cape May
Atlantic	Cumberland
Salem	

TRENTON PSYCHIATRIC HOSPITAL

Mercer	Hunterdon
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DEC. 11 1986

JUL. 1 1985

85-19-MA (NJ)
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**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
Reimbursement for Governmental Psychiatric Hospitals and Governmental Acute
Care Hospitals for Developmentally Disabled Patients
Reimbursement for Hospital Administrative Days**

GARRETT W. HAGEDORN FOR GERIATRICS (THE CENTER)

The Center receives Statewide referrals from Trenton, Greystone Park, Marlboro and Ancora State Psychiatric Hospitals. Some patients are referred directly from the community. Patients referred to the Center require an inpatient level of care.

The Center provides a specialized focus on the gero-psychiatric population unlike the other adult facilities.

COUNTY PSYCHIATRIC FACILITIES

The catchment area for the county psychiatric facilities will be the county in which the facility is located.

OTHER PSYCHIATRIC FACILITIES AND GOVERNMENTAL ACUTE CARE
HOSPITALS FOR DEVELOPMENTALLY DISABLED PATIENTS.

Other Psychiatric Facilities, such as short-term psychiatric care facilities, are those governmental psychiatric facilities that do not fall in one of the above categories. Other Psychiatric Facilities and Governmental Acute Care Hospitals for Developmentally Disabled Patients are not assigned districts or catchment areas. Payment rates for services provided by these facilities for those patients awaiting post-hospital extended care are made at the State-wide average NF rate for patients requiring NF level of care.

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**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
Reimbursement for Governmental Psychiatric Hospitals and Governmental Acute
Care Hospitals for the Developmentally Disabled Patients
Disproportionate Share Hospital Adjustment**

Reimbursement for governmental (State, County or instrumentality of local government) hospitals providing psychiatric care or acute care services to developmentally disabled patients.

I. Eligibility Requirements

Governmental hospitals providing psychiatric care or acute care services to developmentally disabled patients will qualify as disproportionate share hospitals if they meet the following requirements:

A. The hospital must have on staff two obstetricians who accept Medicaid patients, unless the patients are predominately individuals under 18 years of age or the hospital does not offer non-emergency obstetrical services to the general population as of December 21, 1987, and

B. The hospital's Medicaid inpatient utilization rate is at least one percent.

II. Payment Adjustment Methodology

A. A governmental hospital providing psychiatric care or acute care services to developmentally disabled clients that meets the requirements of I. above, will receive an additional payment calculated as follows:

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